

COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

CITY OF CINCINNATI,	:	Case No. A1905588
Plaintiff,	:	(Judge Ethna M. Cooper)
	:	(Magistrate Anita P. Berding)
v.	:	
	:	<u>RECEIVER'S SECOND REPORT</u>
JOHN KLOSTERMAN, et al.,	:	
	:	
Defendants.	:	

Comes now Konza, LLC by Richard Boydston its manager as receiver appointed by order entered February 14, 2020 (the "Receiver Order") and makes this second report which covers the period from April 1 through 30, 2020.

Operations. TriState Organization, Inc. continues to perform management services for the properties including collection of rent, routine maintenance and readying units for rental. A report by TriState for April 2020 is attached marked Exhibit A. The Receiver and TriState are discussing the terms of a written agreement to replace terms set forth in a property management agreement entered into between TriState and John Klosterman dated February 10, 2020.

Cincinnati Code Violations. Plaintiff City of Cincinnati through its Department of Buildings and Inspections continues to send enforcement notices and demands as to certain of the properties. The Receiver also continues to work with the City of Cincinnati to handle what can be done regarding the various violations given the receivership's limited cash availability.

Personal Property. Miscellaneous personal property, including used furniture and both new and reclaimed building materials, are stored in most of the buildings (collectively, the "Stored Personal Property"). The Receiver does not have a current complete inventory of the Stored Personal Property and the Receiver is not able to estimate even a range of approximate

value. The Stored Personal Property must be removed from certain of the buildings to make them rentable and in any event should be removed from all of the buildings for health and safety purposes. The church at 637 Steiner contains the largest amount of Stored Personal Property. The Receiver anticipates the City of Cincinnati will require all personal property in the church be removed to facilitate an engineering study necessary to determine whether the building has been stabilized and can be occupied. The Receiver intends to file a motion for an order compelling defendant John Klosterman to remove all Stored Personal Property which he claims to own and to provide proof of such ownership by a date certain and absent removal to forfeit any right to it.

Receiver Fees and Expenses. The Receiver has incurred fees for work as receiver and also for legal counsel. The latter fees include time worked prior to the entry of the Receiver Order consisting of consultation with the City of Cincinnati and title work on the 66 separate parcels covered by the complaint by Bingham Greenebaum Doll LLP and then Dentons Bingham Greenebaum LLP as Receiver's counsel. The pre-receivership legal work totaled 27.80 hours and \$ 9,730.00 in fees at regularly hourly rates. The total hours for receiver work since appointment of the Receiver through April 30, 2020 is 53 hours. The Receiver will charge \$250.00 per hour. The total hours for legal work by Dentons Bingham Greenebaum LLP as Receiver's counsel since entry of the Receivership Order through April 30, 2020 is 44.30 hours. The Receiver's counsel will charge the regular hourly rates for all timekeepers for all legal work performed during the receivership except that for Richard Boydston (whose current hourly rate is \$585). The Receiver's counsel will charge \$350 per hour for Mr. Boydston subject to change as his current regular hourly rate may change, from time to time. Cash flow for operations is not sufficient to cover all current operating expenses and therefore the Receiver will defer for now submission of time and billing statements and request for payment of fees for the Receiver and of

fees for the Receiver's counsel.

Respectfully submitted,

/s/ Richard Boydston

Richard Boydston (0022360)
Counsel for Konza, LLC, Receiver
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Cincinnati, Ohio 45202-4728
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513.762.7963 (fax)
richard.boydston@dentons.com

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served on each of the following by ordinary United States mail, first class postage prepaid, and also as indicated by email on May 21, 2020.

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Susan Klosterman; Boldface Properties, LLC;
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Sanitation Systems LLC fka Worldwide
Mobile Latrine Inc.; Sedamsville
Heritage Properties; Emily Vets LLC;
and Sedamsville Historical Society
Lazarus & Lewis, LLC
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Ms. Maci Withrow
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Cincinnati, OH 45204

Ms. Crystal Phillips
632 Delhi Ave.
Cincinnati, OH 45204

Mr. Richard Tolbert
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Cincinnati, OH 45204

Mr. Logan Hamm
700 Delhi Ave.
Cincinnati, OH 45204

Mr. Donnell Poole
703 Delhi Ave.
Cincinnati, OH 45204

Mr. Chuck Pritchard
753 Delhi Ave.
Cincinnati, OH 45204

Ms. Monica Davis and Jason Davis
659 Sedam St.
Cincinnati, OH 45204

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Hamilton County Auditor and Treasurer
Assistant Prosecuting Attorney
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Cincinnati, OH 45204

Ms. Brianna Williams
700 Delhi Ave.
Cincinnati, OH 45204

Ms. Iris Anthony
742 Delhi Ave.
Cincinnati, OH 45204

Ms. Tara Jernigan
649 Sedam St.
Cincinnati, OH 45204

Mr. Brandon Lundy
659 Sedam St.
Cincinnati, OH 45204

TriState Organization, Inc.
671 Steiner Ave.
Cincinnati, OH 45204

Homecomings Financial LLC fka
Homecoming Financial Network Inc.
8400 Normandale Lake Blvd., Suite 175
Minneapolis, MN 55437

Ms. Rebecca Thomas
652 Steiner St.
Cincinnati, OH 45204

Robert C. Davis
4061 Lansdowne Ave.
Cincinnati, OH 45236

Jane Doe Davis
Unknown Spouse of Robert C. Davis
4061 Lansdowne Ave.
Cincinnati, OH 45236

Janice A. Green
5195 Hendrickson Rd.
Franklin, OH 45005

Unknown Spouse of Robert C. Davis
4061 Lansdowne Ave.
Cincinnati, OH 45236

David M. Green
5195 Hendrickson Rd.
Franklin, OH 45005

Unknown Spouse of David M. Green
5195 Hendrickson Rd.
Franklin, OH 45005

Kenneth Ziegler
2701 Merriway Lane
Cincinnati, OH 45231

Wham Properties X, LLC
an Ohio limited liability company
c/o Benjamin A. Willingham, Agent
P.O. Box 8233
Cincinnati, OH 45208

Cedar Resources, LLC
c/o B. Scott Boster, Agent
600 Vine Street, Suite 2800
Cincinnati, OH 45202

The following have not been served because prior mailing to them have been returned unclaimed or the addressee has requested to not be served with filings in the case:

Chase Manhattan Mortgage Corp.
343 Thornall Street
Edison, NJ 08837

Chase Manhattan Mortgage Corp.
194 Wood Avenue, South Floor 2
Iselin, NJ 08830

Home Servicing LLC
c/o Highest Officer or Managing Agent
2431 South Acadian Thruway, Suite 525
Baton Rouge, LA 70808

Dan Schulkers
14 Sterling Avenue
Ft. Thomas, KY 41075

Unknown Spouse of Kenneth Ziegler
2701 Merriway Lane
Cincinnati, OH 45231

Dan Schulkers
32 Tower Hill Road
Ft. Thomas, KY 41075

Unknown Spouse of Dan Schulkers
32 Tower Hill Road
Ft. Thomas, KY 41075

Unknown Spouse of Dovetta Dangerfield
1036 Holderness Lane
Cincinnati, OH 45240

Unknown Spouse of Dan Schulkers
14 Sterling Avenue
Ft. Thomas, KY 41075

Unknown Occupant
673 Delhi Avenue
Cincinnati, OH 45204

Unknown Occupant
671 Delhi Avenue
Cincinnati, OH 45204

Unknown Occupant
794 Delhi Avenue
Cincinnati, OH 45204

Unknown Occupant
679 Delhi Avenue
Cincinnati, OH 45204

Unknown Occupant
793 Delhi Avenue
Cincinnati, OH 45204

Unknown Occupant
742 Delhi Avenue
Cincinnati, OH 45204

Unknown Occupant
652 Steiner Avenue
Cincinnati, OH 45204

Unknown Occupant
753 Delhi Avenue
Cincinnati, OH 45204

Unknown Occupant
639 Steiner Avenue
Cincinnati, OH 45204

Unknown Occupant
4053 Palos Street
Cincinnati, OH 45204

Unknown Occupant
938 Striker Avenue
Cincinnati, OH 45204

Unknown Occupant
638 Steiner Avenue
Cincinnati, OH 45204

Unknown Occupant
640 Steiner Avenue
Cincinnati, OH 45204

Unknown Occupant
940 Striker Avenue
Cincinnati, OH 45204

Unknown Occupant
701 Delhi Avenue
Cincinnati, OH 45204

Unknown Occupant
632 Delhi Avenue
Cincinnati, OH 45204

Unknown Occupant
667 Delhi Avenue
Cincinnati, OH 45204

Unknown Occupant
659 Sedam Street
Cincinnati, OH 45204

Unknown Occupant
703 Delhi Avenue
Cincinnati, OH 45204

Unknown Occupant
646 Sedam Street
Cincinnati, OH 45204

Unknown Occupant
705 Delhi Avenue
Cincinnati, OH 45204

Unknown Occupant
649 Steiner Avenue
Cincinnati, OH 45204

Unknown Occupant
654 Steiner Avenue
Cincinnati, OH 45204

Unknown Occupant
700 Delhi Avenue
Cincinnati, OH 45204

Jane Doe Zieser
Unknown Spouse of Joseph C. Zeiser
3492 Cheviot Avenue
Cincinnati, OH 45211

Donald R. Roseberry
4459 Mayhew Avenue
Cincinnati, OH 45238

Unknown Occupant
793 Delhi Avenue
Cincinnati, OH 45204

Unknown Occupant
636 Delhi Avenue
Cincinnati, OH 45204

Unknown Occupant
685 Halsey Avenue
Cincinnati, OH 45204

Jane Doe Zeiser
Unknown Spouse of Joseph C. Zeiser
P.O. Box 862
Florence, KY 41022

Jane Doe Rosenberry
Unknown Spouse of Donna J. Roseberry
4459 Mayhew Avenue
Cincinnati, OH 45238

Barbara J. Zieser
3492 Cheviot Avenue
Cincinnati, OH 45211

/s/ Richard Boydston

EXHIBIT A

KLOSTERMAN PROPERTIES**APRIL 2020 REPORT****April Rent Roll**

	Due	Received
628 Delhi	\$650.00	\$650.00
632 Delhi	\$795.00	\$795.00
636 Delhi - A	\$650.00	not moved in yet
636 Delhi - B	\$650.00	\$315.42 new tenant-prorated rent
700 Delhi - A	\$575.00	\$575.00
700 Delhi - B	\$575.00	\$525.00
700 Delhi - C	\$750.00	\$750.00
703 Delhi	\$400.00	Donnell Poole
742 Delhi	\$895.00	\$895.00
753 Delhi	\$390.00	\$1,560.00
649 Sedam	\$795.00	\$795.00
659 Sedam - A	\$650.00	\$600.00
659 Sedam - B	\$675.00	\$675.00
652 Steiner	\$895.00	Rebecca Thomas
TOTAL RENT ROLL (INCOME)	\$9,345.00	\$8,135.42

EXPENSES**TSO paid out of pocket**

Speedway - propane for office heat	\$23.53
Meyer Hardware - supplies	\$4.27
Cincinnati Reuse Center - tile	\$22.50
McCabe - tools	\$37.43
McCabe - tools	\$9.61
Meyer Hardware - supplies	\$2.13
Meyer Hardware - supplies	\$74.72
Home Depot - tools (lawn equipment)	\$254.03
Bridgetown Hardware - supplies	\$39.54
Meyer Hardware - supplies	\$19.74
Home Depot - material	\$305.63
Meyer Hardware - supplies	\$21.35
Lost receipt - can of foam	\$8.00
Meyer Hardware - supplies	\$5.97
McCabe - supplies- bleach, adhesive	\$9.49
Meyer Hardware - supplies	\$21.53
Home Depot - 700 Delhi C - toilet repair	\$28.50
Home Depot - tools - work light	\$40.00
Staples - office supplies (ink)	\$21.39

UDF - fuel for truck	\$20.00
Kroger - propane for office	\$21.39
Meyer Hardware - supplies	\$10.68
Meyer Hardware - supplies	\$4.04
Meyer Hardware - supplies	\$22.22
Speedway - propane for office heat	\$23.53
Meyer Hardware - supplies	\$49.01
Meyer Hardware - supplies	\$6.84
Autozone - parts for tractor	\$20.31
Autozone - parts for tractor	\$17.10
Autozone - tools	\$53.48
Bud Herbert Motors - parts for tractor	\$224.96
UDF - fuel for truck	\$20.00
Meyer Hardware - supplies	\$4.89
Delfair Lock & Key	\$32.10
Home Depot - tools (DuoPump)	\$127.33
Meyer Hardware - supplies	\$11.76
Kroger - propane	\$21.39
Cash America - tools - grinder, reciprocating saw	\$57.78
McCabe - tools - saw blades, garden hose	\$79.31
UDF - fuel for truck	\$20.00
True Value	\$8.52
McCabe - tools	\$14.96
Uline - fire extinguishers	\$372.11
Home Depot	\$115.25
Uline - supplies - fire extinguishers	\$316.00
Uline - supplies - fire extinguishers	\$609.83
Uline - supplies - pvc boots	\$314.05
Autozone - tools	\$21.38
McCabe - supplies	\$10.68
McCabe - supplies	\$6.80
Keidel Supply Co	\$180.82
Meyer - supplies	\$37.81
Schwabs-tire for tractor	\$60.77
Uline - fire extinguishers	\$432.17
Walgreens - office supplies	\$8.01
Allied Reddi Rooter - 628 Delhi service	\$390.00
Delfair Lock & Key - master key setup, rekey	\$431.10

TOTAL EXPENSES PAID BY TSO	\$5,127.74
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TSO Management Fee - 10% of Rent Roll	\$934.50
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TSO Labor Management Fee - 6% of Labor Cost	\$334.38
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TSO Bonus For New Tenant	\$400.00
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Labor Costs paid by TSO

Angel	\$1,007.00
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Harry Tye	\$1,108.00
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Ryan Kinnard	\$977.50
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Jake	\$735.00
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Andre Orso	\$238.00
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Marshall Todd	\$1,507.50
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TOTAL LABOR PAID BY TSO	\$5,573.00
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TOTAL OWED TO TSO	\$12,369.62
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TOTAL PAID TO TSO	\$8,135.42
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AMOUNT STILL DUE TO TSO	\$4,234.20
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Respectfully submitted, on this 1st day of May, 2020, to Receiver Richard Boydston of Konza Inc.

Tristate Organization Inc.

KLOSTERMAN PROPERTIES - April 2020

Summary of Maintenance & Repairs

As directed by the Receiver, TSO has purchased and installed smoke detectors and fire extinguishers in all occupied, and unoccupied, structures.

TSO has been cutting grass for all properties and vacant lots, in addition to sweeping up sidewalks and trying to improve curb appeal for Sedamsville.

628 Delhi

TSO has been addressing a serious sewer pipe issue at 628 Delhi, which required a 20ft section of 8" non standard pipe in the interior of the property which is completed. On the exterior there are multiple pipe sections collapsing, and we're still trying to clear the blockage, which is very labor intensive work.

632 Delhi

Replaced mailbox lock, recaulked bathtub/shower, bathroom tile needed regrouting, replaced rotten kitchen cabinets, replaced shelving, repaired kitchen drawers, baseboards reaffixed, smoke detectors and extinguishers.

636 Sedam

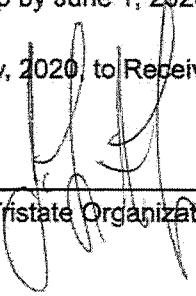
2nd floor unit, replaced hot water heater, rebuilt hatch on roof, new drywall and mudding, mold and mushrooms remediation for kitchen cabinets, installed new kitchen faucet and drain traps, repair of upper cabinets.

659 Sedam

Drywall repaired and sanded, prepped for paint. Unit is already rented, waiting for inspection.

We're in the process of creating a budget and a unified and coherent plan for moving forward. This plan will be submitted to the Receivership by June 1, 2020.

Respectfully submitted, on this 4th day of May, 2020, to Receiver Richard Boydston of Konza Inc.


Tristate Organization Inc.